

# **INTERMOUNTAIN POWER SERVICE CORPORATION**

**CONTRACT 03-45576**

**and**

**SPECIFICATIONS 45576**

**for**

**DESIGN, SUPPLY, AND INSTALLATION OF BOILER  
UPRATE MODIFICATIONS ON UNIT 1 AND UNIT 2**

**CONTRACT ISSUED TO:**

**BABCOCK BORSIG POWER, INC.  
5 NEPONSET STREET  
WORCESTER, MA 01606**

**CONTRACT ADMINISTRATOR: JAMES NELSON**

**BUYER: RALPH NEWBERRY**

850 West Brush Wellman Road, Delta, Utah 84624 / Telephone: (435) 864-4414 / FAX: (435) 864-6670 / Fed. I.D. #87-0388573

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**IP7\_034608**

**CONTRACT AGREEMENT**

**THIS CONTRACT AGREEMENT**, entered into this 17th day of **October, 2002**, between the **INTERMOUNTAIN POWER SERVICE CORPORATION (IPSC)**, a nonprofit organization under contract to the Intermountain Power Agency (IPA), a political subdivision of the state of Utah, organized and existing under the Interlocal Co-Operation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and Babcock Borsig Power, Inc., a Corporation, with its principal office in Worcester, MA hereinafter called the (Contractor),

WHEREAS, IPSC has prepared specifications and other Contract Documents for Design, Supply, and Installation of Boiler Uprate Modifications on Unit 1 and Unit 2, as detailed in the Contract Documents (the Work), and has requested proposals from bidders to perform the Work;

WHEREAS, Contractor has submitted to IPSC a Proposal in accordance with the terms of this Contract Agreement; and

WHEREAS, IPSC has determined and declared Contractor to be the lowest and best, regular responsible bidder for the said Work, subject to execution of this Contract Agreement;

**AGREEMENTS:** In consideration of the compensation to be paid to Contractor, and of the mutual terms and conditions contained herein, IPSC for itself and its successors, and Contractor for itself and its permitted successors and assigns, hereby agree as follows:

**ARTICLE I:** Contractor shall perform in accordance with the provisions of this Contract Agreement, including the "Contract Documents" identified in Article III hereof.

**ARTICLE II:** Contractor will be paid for its performance under this Contract Agreement in accordance with the provisions of the Contract Documents, including those provisions in the Article entitled "Limitation of Liability; Responsible Party" in Part E, Division E1, General Conditions.

**ARTICLE III:** The term "Contract Documents" means and includes all of the following:

<u>PART</u>	<u>DIV</u>	<u>TITLE</u>
A	A1	Notice Inviting Proposals
B	B1	Instructions to Bidder
C		Bidding Documents
	C1	Bidder's Bond
	C1	Proposal
	C1	Labor, Material, and Performance Bond
	C2	Proposal Schedule
D	D1	Contract Documents Description
E	E1	General Conditions
	E2	Additional General Conditions
F		Detailed Specifications
	F1	Special Conditions
	F2	Detailed Requirements

The foregoing Contract Documents, and the documents identified in Part D "Contract Documents Description," are an integral part of this Contract Agreement and are hereby incorporated as part of this Contract Agreement as if fully restated herein. The above listed Contract Documents shall prevail over other information submitted with Contractor's Proposal.

**ARTICLE IV:** This Contract Agreement, including the Contract Documents, constitutes the entire Agreement of the parties hereto with respect to the Work and other subjects addressed herein, and supersedes all prior oral communications or written documents.

Contract No. 03-45576

WHEREFORE, IPSC and Contractor execute this Contract Agreement as of the date stated in the first introductory paragraph.

**INTERMOUNTAIN POWER SERVICE CORPORATION**

850 West Brush Wellman Road  
Delta, UT 84624-9546

By: George W. Cross  
George W. Cross  
President and Chief Operations Officer

10/17/02  
Date

Babcock Borsig Power, Inc.  
5 Neponset Street  
Worcester, MA 01606

By: [Signature]  
Title: President & CEO

October 14, 2002  
Date

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**PART A - DIVISION A1**

**NOTICE INVITING PROPOSALS**

The Intermountain Power Service Corporation (IPSC) invites sealed bids for **Design, Supply, and Installation of Boiler Uprate Modifications on Unit 1 and Unit 2** in accordance with **Specifications 45576**, available in the Purchasing Section, Intermountain Power Service Corporation, 850 West Brush Wellman Road, Delta, UT 84624-9546.

Proposals shall be submitted on IPSC's bidding forms. All Proposals shall be filed with the Buyer at the above address on or before **August 6, 2002**.

Each Proposal shall be accompanied by a certified or cashier's check payable to Intermountain Power Agency (IPA), or a Surety Bond payable to IPA, IPSC, and the City of Los Angeles Department of Water and Power (LADWP) in the amount of 10 percent of the aggregate sum of the Proposal as a guarantee that the bidder shall execute the proposed Contract Agreement if awarded.

Proposals shall be subject to acceptance within, and irrevocable for, a period of ninety (90) calendar days after date of bid opening.

IPSC reserves the right to reject any and all Proposals.

The successful bidder shall furnish a Performance Bond equal to 10 percent of the estimated Contract amount, and shall keep the Performance Bond in place at all times thereafter until all obligations under the Contract have been discharged.

In the performance of any contract awarded, the bidder shall not discriminate in employment practices against any employee or applicant for employment because of race, religion, national origin, ancestry, sex, age, or physical disability.

Dated: July 22, 2002

 7-22-02  
Ralph C. Newberry, C.P.M., Senior Buyer  
Intermountain Power Service Corporation

**PART B - DIVISION B1**

**INSTRUCTIONS TO BIDDERS**

1. **Form, Signature, and Delivery of the Proposals:** The bidder's Proposal shall be made on the yellow copy of the Bidding Documents. The Specifications printed on white paper shall be retained by the bidder.

The bidder's name, address, and the date shall be stated in the Proposal. The Proposal shall be signed by the person authorized to bind the bidder.

The Proposal shall be enclosed in a sealed envelope, plainly marked in the upper left-hand corner with the name and address of the bidder. The envelope shall bear the words "Proposal for," followed by the Specification Number, the title of the Specifications, and the date and hour of bid opening.

If the Proposal is mailed, it shall be addressed as follows:

Purchasing Section  
Intermountain Power Service Corporation  
850 West Brush Wellman Road  
Delta, UT 84624-9546

If the Proposal is sent by messenger, it shall be delivered to the Administration Building, Intermountain Power Service Corporation, 850 West Brush Wellman Road, Delta, Utah.

2. **Interpretations and Addenda:** Should a bidder find discrepancies or omissions in the plans, specifications, or other documents, or should there be doubt as to their true meaning, the bidder shall submit to the Buyer a written request for an interpretation or clarification thereof. A request for addenda, interpretation, or clarification shall be delivered to the Buyer marked "Request for Interpretation" and must be received by the Buyer in time to permit a reasonable response before the date of opening bids. Any interpretation of, or change in the documents will be made only by addendum issued to each person to whom Specifications have been issued and will become a part of any contract awarded. IPSC will not be responsible for or bound by any other explanations or interpretations.
3. **Correspondence:** All inquiries or correspondence to IPSC prior to award of Contract shall be addressed to the Buyer.
4. **Changes or Alternatives:** The bidder shall not change any wording in the documents. Any explanations or alternatives offered shall be submitted in a letter attached to the front of the Bidding Documents. Alternatives which do not substantially comply with IPSC's Specifications cannot be considered. Language of negation or limitation of any rights, remedies, or warranties provided by law will not be considered part of the Proposal. Bids offered subject to conditions or limitations may be rejected.

## DIVISION B1

INSTRUCTIONS TO BIDDERS

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5. Specified Materials or Equivalent: Whenever any particular material or process is specified by a patent or proprietary name, by a trade or brand name, of a manufacturer, such wording is used for the purpose of describing the material or process, fixing the standard of quality required, and shall be deemed to be followed by the words "or equivalent." The bidder may offer any material or process which shall be the equivalent of that so specified, but the bidder must identify the equivalent offered.
6. Language: Everything submitted by the bidder shall be written in the English language.
7. Sales or Use Taxes: Prices quoted by the bidder shall not include any applicable sales or use taxes or Federal Excise Taxes.
8. Duties: Prices quoted by the bidder shall include all applicable duties.
9. Award of Contract: Any award of Contract will be made to the lowest and best, regular responsible bidder. The determination as to which is the lowest and best, regular responsible bidder may be made on the basis of the lowest ultimate cost of the materials, services, equipment, or other Work in place and use. The right is reserved to reject any or all Proposals.

Within thirty (30) calendar days after the date of award of Contract, the successful bidder shall sign the Contract supplied by IPSC. The Contract will be effective upon execution by IPSC. Award of Contract is subject to execution of IPSC's form of Contract Agreement and other Contract Documents.

10. Comparison of Bids: Bid comparison will be based on the lowest ultimate cost and the Contractor's experience in similar jobs.
11. Bidder's Bond: The Proposal shall be accompanied by a certified check or a cashier's check issued by a responsible bank, payable in the state of Utah to the order of Intermountain Power Agency, in the amount of 10 percent of the aggregate sum of the Proposal. A surety bond payable to IPA, IPSC, and LADWP in a like amount will be accepted in lieu of a check.
12. Performance Bond: Within thirty (30) calendar days after date of award of Contract, the successful bidder shall furnish a Performance Bond, payable to IPA, IPSC, and LADWP equal to 10 percent of the estimated amount of the Contract.
13. Calculation of the Bonds: The estimated amount of the Proposal for the Bidder's Bond, or of the Contract for the Performance Bond, will be considered to be the price quoted by the bidder in the Proposal Schedule.



August 15, 2002

Mr. Ralph C. Newberry CPM  
Senior Buyer  
Intermountain Power Service Corp.  
850 West Brush Wellman Rd  
Delta, UT 84624

Re: **Babcock Borsig Power, Inc**  
**Customer Specification #45576**  
**BBPI Proposal #501080**

Dear Mr. Newberry,

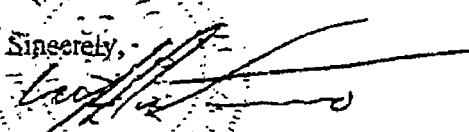
Babcock Borsig Power, Inc. is a highly regarded and valued client of the Lumbermens Mutual Casualty Company. We have had the privilege of providing their bonds on many contracts in the past and do not anticipate any difficulty in providing a customary performance and payment bond should they be awarded the captioned contract.

We currently support this client with a surety program with a single project limit in excess of \$15,000,000 and an aggregate limit of \$100,000,000. Although, larger projects will be considered on a case-by-case basis.

Naturally, our continued support this bond line and our approval for the execution of any final bonds would be subject to a review of our standard underwriting data as well as the final contract terms and conditions presented by our client at the time of request.

If we can provide any further assurances, please feel free to contact us.

Sincerely,



William J. Paterno  
Attorney-in-fact  
(877) 426-75420 x242

Connell Corporate Center III  
3 Oak Way  
P.O. Box 608  
Berkeley Heights, NJ 07922-0608

(908) 286-5350  
FAX (908) 286-5210  
TOTAL P.02

IP7\_034616

**PROPOSAL**

The undersigned hereby proposes to furnish and deliver manpower and material to the Intermountain Power Service Corporation for **Design, Supply, and Installation of Boiler Upate Modifications on Unit 1 and Unit 2** in accordance with **Specifications 45576**.

The undersigned agrees, upon the acceptance of this Proposal, (a) to execute IPSC's form of Contract (including the Contract Agreement and other Contract Documents identified in said Specifications) for furnishing and delivering the items and services embraced in the accepted Proposal, (b) to perform its obligations under the Contract at the prices stated in the accompanying Proposal Schedule, and (c) to furnish a Performance Bond conditioned upon the faithful performance of the Contract.

The undersigned furthermore agrees that, in case of failure to execute such Contract Agreement and provide the necessary Performance Bond, the check or Bidder's Bond accompanying this Proposal, and the monies payable thereon, shall be forfeited to and remain the property of Intermountain Power Agency.

The undersigned declares under penalty of perjury that this Proposal is genuine, is not a sham or collusive, and is not made in the interest or in behalf of any person or entity not herein named. The undersigned further declares under penalty of perjury that the bidder has not directly or indirectly induced or solicited any other bidder to submit a sham bid, or any other person, firm, or corporation to refrain from bidding. The undersigned also declares under penalty of perjury that the bidder has not in any manner sought by collusion to secure for itself an advantage over any other bidder.

I declare under penalty of perjury under the laws of the state of Utah that the foregoing is true and correct.

Date: August 16, 2002

Bidder: BABCOCK BORSIG POWER, INC.

Address: 5 Neponset Street

Worcester, MA 01606

Signed By:   
(Authorized Signature)

Print Name: Roger Hessel

Title: Proposal Manager

**PART C- DIVISION C2****BIDDING DOCUMENTS - PROPOSAL SCHEDULE**

Proposal is hereby made to furnish and deliver to IPSC manpower and material as required for **Design, Supply, and Installation of Boiler Uprate Modifications on Unit 1 and Unit 2**, F.O.B. Intermountain Power Service Corporation, 850 West Brush Wellman Road, Delta, UT, in accordance with **Specifications 45576**, the following:

1. **Bid Submittal:** Each bidder shall include the following information with their bid:
  - a. Approximate engineering, material manufacturing, and delivery schedule.
  - b. Proposed installation plan (see Division F2, Article 4).
  - c. Proposed subcontractor list (including contacts, references, and telephone numbers.) All subcontractors shall be approved by the Contract Administrator prior to mobilization.
  - d. A required access plan showing location and extent of all required scaffolding in the event IPSC elects to provide all required scaffolding.
2. **Prices:** Each bidder shall complete and submit the following pricing schedule. Prices are to be stand-alone, line item pricing, unless specified otherwise by the bidder or indicated otherwise within the following line items:

<u>ITEM</u>	<u>BID</u>	
	<u>UNIT 1</u>	<u>UNIT 2</u>
a. Preparation and implementation of a boiler model designed to accurately represent IPP's Unit 1 and Unit 2. Boiler model to provide the technical basis for optimization of boiler performance as identified with the attached Specifications.	<u>31,987</u>	<u>N/A</u>
b. Design, procure, fabricate, and deliver an 8 foot platen pendant tube extension set, including alignment appurtenances for Unit 1, beginning March 1, 2003 and Unit 2, beginning February 28, 2004. (Award of Unit 2 contingent upon Unit 1 experience. See Article 3 below.	<u>378,334</u>	<u>251,966</u>

BID

<u>ITEM</u>	<u>UNIT 1</u>	<u>UNIT 2</u>
c. Installation of 8 foot platen pendant tube extension sets on Unit 1 and Unit 2. (Installation of Unit 1 will be awarded to the material supply bidder. Award of Unit 2 platen extensions installation will be based on Unit 1 experience. See Article 3 below).	<u>782,295</u>	<u>819,086</u>
d. Design, procure, fabricate, deliver, and install an overfire air (OFA) system on Unit 1 and Unit 2 to achieve NOx output reduction of 15 percent reduction and a maximum NOx operating output of 0.40 lbs/MMBTU on Unit 1 experience.	<u>N/A</u>	<u>N/A</u>
e. Design, procure, fabricate, deliver, and install a complete OFA system for maximum allowable NOx reduction with the existing combustion system hardware presently in use at IPP. (Award of Unit 2 overfire system will be based on Unit 1 experience. See Article 3 below).	<u>2,535,451</u>	<u>2,444,778</u>
f. Installation of two-hundred fifty (250), IPSC supplied, split-ring castings on the intermediate superheat pendants. (Award of Unit 2 contingent upon Unit 1 experience. See Article 3 below).	<u>129,736</u>	<u>135,838</u>
g. Design, procure, deliver, install, and remove a complete scaffold structure for all applicable boiler internal work on Unit 1 and Unit 2. (Boiler internal scaffold is detailed within the attached Specifications.) (Award of Unit 2 contingent upon Unit 1 experience. See Article 3)	<u>411,693</u>	<u>432,993</u>
h. Provide technical service support as needed throughout the Project, including a minimum of two (2) weeks on-site technical support during startup and tuning, and one (1) additional week for technical support during operational testing of the boiler following the outage. (Award of Unit 2 contingent upon Unit 1 experience. See Article 3)	<u>87,864</u>	<u>87,748</u>

3. Second Unit Award Option: In the event that the work on the first unit is determined, in the opinion of the IPSC Contract Administrator, to be substandard, IPSC reserves the right to award any portion of or all of the work on the second unit to a contractor other than Borsig Power, Inc. The criteria for determination of substandard performance will essentially be the provisions identified within this Contract covering work quality, planning, organization, timeliness, and safety.

In the event that the work is determined, by the IPSC Contract Administrator, to be substandard and portions of the remaining work is awarded to a Contractor other than Borsig Power, Inc., the applicable Contract amount shown above will be retained by IPSC. The amount included in Item 'e' for installation of the overfire air system is \$1,402,767. The amount shown in item 'a' for modeling work will remain unaffected by this option.

Taxes: The foregoing quoted prices are exclusive of all applicable sales and use taxes.

Form of Business Organization: The bidder shall state below the form of its business organization. Bidder is a Corporation, organized under the laws of the state of Massachusetts. (Corporation, Partnership, Limited Partnership, Individual)

If a partnership, the bidder shall state below the names of the partners. If a corporation, the bidder shall state below the names of the president and of the secretary.

James Wood - President \_\_\_\_\_ James Brantl - Secretary \_\_\_\_\_

Person to Contact: Should IPSC desire information concerning this Proposal, please contact:

Name: Roger C. Hessel \_\_\_\_\_ Telephone No: 508-854-3832 \_\_\_\_\_

Address: 5 Neponset Street, Worcester, MA 01606 \_\_\_\_\_

(If different, the address of bidder's chief executive office is:) \_\_\_\_\_

\_\_\_\_\_

**PART D - DIVISION D1****CONTRACT DOCUMENTS DESCRIPTION**

The Contract Agreement, together with the documents listed in Article III thereof, the reference Specifications, any other documents listed below, and such of Contractor's Proposal documents as are expressly agreed to by IPSC shall constitute the Contract (Contract). Said Documents are complementary and require complete and finished Work. Anything shown or required of Contractor in any one or more of said documents shall be as binding as if contained in all of said documents. Contractor shall not be allowed to take advantage of any error, discrepancy, omission, or ambiguity in any document, but shall immediately report to the Chief Operations Officer, in writing, any such matter discovered. The Chief Operations Officer will then decide or correct the same and the decision will be final.

The following drawings are being provided for reference purposes only. Dimensions on these drawings are not guaranteed by IPSC.

**DRAWINGS**

950 MW Unit Test Data (Excel File)	Secondary Superheat Inlet
Boiler Buckstays	Secondary Superheat Platen
Boiler Front Wall	Burner Port (60A)
Boiler Loading Diagram (Sheet 1)	Corner Insulation (40N)
Boiler Loading Diagram (Sheet 2)	Corner Port Insulation (44G)
Boiler Plan View	Insulation Key
Boiler Front Wall (Sheet 1)	Insulation Specification
Boiler Front Wall (Sheet 2)	Waterwall Insulation (45H)
Boiler Side Elevation	Windbox Insulation (ITP4.0)
Boiler Structural Steel (South)	Windbox Insulation
Furnace Front Wall Panel	

Drawings prepared by the Contractor for this Project shall be submitted to IPSC for review prior to commencement of fabrication. This review shall not relieve the successful bidder of sole responsibility for the adequacy and correctness of the associated Work. All Project drawings shall be stamped by a registered professional engineer, licensed within the state of Utah.

**PART E - DIVISION E1**

**GENERAL CONDITIONS**

1. **Definitions:** The following words shall have the following meanings:
  - a. **Bidder:** The person, firm, or corporation adopting and submitting a Proposal under these Specifications.
  - b. **Buyer:** The Purchasing Agent for IPSC.
  - c. **Chief Operations Officer:** The President and Chief Operations Officer of IPSC, or other representatives designated by the President and Chief Operations Officer acting within the limits of their authority.
  - d. **Contract Administrator:** The IPSC employee designated by the Chief Operations Officer with primary responsibility for administration of the Contract, or other representatives designated by the Contract Administrator acting within the limits of their authority.
  - e. **Contractor:** The person, firm, or corporation to whom the Contract is awarded.
  - f. **Directed, Required, Approved, etc.:** The words *directed, required, approved, permitted, ordered, designated, prescribed, instructed, acceptable, accepted, satisfactory*, or similar words shall refer to actions, expressions, and prerogatives of the Contract Administrator unless otherwise expressly stated.
  - g. **Gallon:** Liquid volume of 231 cubic inches at 60 degrees Fahrenheit.
  - h. **IGS:** Intermountain Generating Station located at 850 West Brush Wellman Road, Delta Utah 84624.
  - i. **IPA:** Intermountain Power Agency, the owner of Intermountain Power Project, and a political subdivision of the state of Utah, organized and existing under the Interlocal Co-operation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended.
  - j. **IPP:** Intermountain Power Project, consisting of Intermountain Generating Station, Intermountain Railcar, Intermountain Converter Station, Adelanto Converter Station, Intermountain AC Switchyard and associated transmission lines, microwave stations, and support facilities.
  - k. **IPSC:** Intermountain Power Service Corporation, a nonprofit corporation, furnishing personnel to support the Operating Agent in the performance of operation and maintenance.

## DIVISION E1

GENERAL CONDITIONS

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- i. Operating Agent, or LADWP: The City of Los Angeles Department of Water and Power which is responsible for operation and maintenance for IPP.
  - m. Reference Specifications: Those bulletins, standards, rules, methods of analysis or tests, codes, and specifications of other agencies, engineering societies, or industrial associations referred to in these Specifications. These refer to the latest edition, including amendments published and in effect at the date of the Invitation for Proposal, unless specifically referred to by edition, volume, or date. Unless the context otherwise requires, Reference Specifications also include all amendments published or adopted after the date of the Invitation for Proposal.
  - n. Subcontractor: A person, firm, or corporation, other than Contractor and employees thereof, who supplies labor, materials, or services, for a portion of the Work to be performed by Contractor under this Contract.
  - o. Ton: The short ton of 2000 pounds (lbs).
  - p. Work: The materials, services, equipment, and other performance identified in these Specifications and other Contract Documents to be provided by Contractor.
- 2. Materials and Work: All Work shall comply with these Specifications. All materials used or supplied, and all equipment furnished, shall be new and unused; however, this requirement shall not preclude the use of recycled materials in the manufacturing processes. All Work shall be done by qualified workers in a thorough and workmanlike manner that would pass without objection in both Contractor's trade and IPA's and IPSC's industry. Materials, equipment, workmanship, and other Work not definitely specified, but incidental to and necessary for the Work, shall conform to the best commercial practice for the type of Work in question and be of a quality that passes without objection in Contractor's trade and IPA's and IPSC's industry.
- 3. Nondiscrimination: The applicable provisions of Executive Order No. 11246 of September 24, 1965, and Bureau of Land Management regulations, and all other applicable governmental regulations pertaining to nondiscrimination in employment in the performance of contracts, are incorporated herein by reference, and made a part hereof as if they were fully set forth herein. During the performance of this Contract, Contractor shall not discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, age, or physical disability. All subcontracts awarded under or pursuant to this Contract shall contain a like nondiscrimination provision.
- 4. Governing Law; Venue: This Contract shall be governed by the substantive laws of the state of Utah, regardless of any rules on conflicts of laws or choice of law that would

## DIVISION E1

GENERAL CONDITIONS

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otherwise cause a court to apply the laws of any other state or jurisdiction. Any action, in law or in equity, concerning any alleged breach of or interpretation of this Contract, or concerning any tort in relation to this Contract or incidental to performance under this Contract, shall be filed only in the state or federal courts located in the state of Utah.

5. Patents and Intellectual Property: Contractor shall fully indemnify and, at the election of IPA, defend IPA, IPSC, and the Operating Agent against any and all liability, whatsoever, by reason of any alleged infringement of any intellectual property rights (including, but not limited to, patents, copyrights, trademarks, or trade secrets) on any article, process, method, or application used in any designs, plans, or specifications provided under this Contract, or by reason of Contractor's manner of performance under this Contract, or by reason of use by IPA, IPSC, or the Operating Agent of any article, process, or material specified by Contractor. This indemnification shall not apply to designs or materials furnished to Contractor by Purchaser.

Engineering drawings, documents, specifications, calculations, and data that Contractor prepares as part of the Work (collectively Drawings) shall be delivered to IPSC and become the property of IPSC at the conclusion of the Work. IPSC shall be entitled to use said Drawings and the information contained therein for the construction, operations, maintenance, repair and/or alternation of IPP facilities.

6. Contractor's Address and Legal Service: The address given in the Proposal shall be considered the legal address of Contractor and shall be changed only by advance written notice to IPSC. Contractor shall supply an address to which certified mail can be delivered. The delivery of any communication to Contractor personally, or delivery to such address, or the depositing in the United States Mail, registered or certified with postage prepaid addressed to Contractor at such address, shall constitute a legal service thereof.
7. Assignment of Contract Prohibited: Contractor shall not assign or otherwise attempt to dispose of this Contract, or any rights hereunder, or of any monies due or to become due hereunder, unless authorized by the prior written consent of the Chief Operations Officer. This Contract, and Contractor's rights hereunder (including rights of collection) are nonassignable without the Chief Operations Officer's prior written consent. No right or claim can be asserted against IPA, IPSC, or the Operating Agent, in law or equity, by any person, by reason of any assignment or disposition unless so authorized.

If Contractor, without such prior written consent, purports to assign or dispose of this Contract, or any right or interest hereunder, IPSC may at its option terminate this Contract. Such termination shall relieve and discharge IPA, IPSC, and the Operating Agent from any and all liability, duties, and obligations to Contractor, and to any assignee or transferee thereof.

8. Quality Assurance: IPSC has the right to subject any or all materials, services, equipment, or other Work furnished and delivered under this Contract to rigorous

## DIVISION E1

GENERAL CONDITIONS

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inspection and testing. (Unless otherwise specifically provided in this Contract with respect to specific materials, services, equipment, or other Work, IPSC has no duty to inspect, test, or specifically accept.) Before offering any materials, services, equipment, or other Work for inspection, testing, delivery, or acceptance, Contractor shall eliminate all items or portions which are defective or do not meet the requirements of these Specifications. If any items or portions are found not to meet the requirements of these Specifications, the lot, or any faulty portion thereof, may be rejected. Only the Contract Administrator may accept any materials, services, equipment, or other Work as complying with these Specifications on behalf of IPSC.

IPSC may inspect and reject materials, services, equipment, or other Work tendered or purchased under this Contract at any reasonable location IPSC may choose (including, but not limited to, points of origin, while in transit to IPSC, IPSC's specified receiving points, IPSC's storage sites, or any point of use or installation). Inspection can include any testing that IPSC deems necessary or convenient to determine compliance with these Specifications. The expense of any initial tests will be borne by IPSC. All expenses of subsequent or additional tests will be charged against Contractor when due to failure of first-offered materials, services, equipment, or other Work to comply with these Specifications.

The fact that the materials, services, equipment, or other Work have or have not been inspected, tested, or accepted by IPSC, whether voluntarily or as required by any specific provision in this Contract, shall not relieve Contractor of responsibility in case of later discovery of nonconformity, flaws, or defects, whether patent or latent.

9. Extra Work, Reduced Work, and Change Orders by IPSC: IPSC reserves the right at any time before final acceptance of the entire Work to order Contractor to furnish or perform extra Work, or to make changes altering, adding to, or deducting from the Work, without invalidating this Contract. Changes shall not be binding upon either IPSC or Contractor unless made in writing in accordance with this Article.

Changes will originate with the Chief Operations Officer who will transmit to Contractor a written request for a Proposal covering the requested change, setting forth the changed Work in detail, and including any required supplemental plans or specifications. Upon receipt of such request, Contractor shall promptly submit in writing to the Chief Operations Officer a Proposal offering to perform such change, a request for any required extension of time caused by such change, and an itemized statement of the cost or credit for the proposed change. Failure of Contractor to include a request for extension of time in the Proposal shall constitute conclusive evidence that such extra Work or revisions will entail no delay and that no extension of time will be required.

If Contractor's Proposal is accepted by IPSC, a written change order will be issued by the Chief Operations Officer stating that the extra Work or change is authorized and

## DIVISION E1

GENERAL CONDITIONS

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granting any required adjustments of the Contract price and of time of completion. If Contractor's Proposal is rejected by IPSC, then IPSC may order the additional or changed Work from other vendors.

Additional Work or changes pursuant to the change order shall be performed in accordance with the terms and conditions of these Specifications. No extra Work shall be performed or change made unless pursuant to such written change order, and no claim for an addition to the Contract price shall be valid unless so ordered.

Notwithstanding anything in the preceding paragraphs to this Article, IPSC may issue a written order reducing the scope of the Work without issuing a request for Proposal. Any such reduction in the scope of Work shall be effective upon issuance. Reductions ordered by IPSC shall constitute partial terminations and shall reduce the price to be paid by IPSC.

10. Changes at Request of Contractor: Changes may be made to facilitate the Work of Contractor. Such changes may only be made without additional cost to IPSC, without extension of time, and pursuant to written permission from the Chief Operations Officer. Permission for such changes shall be requested in writing by Contractor to the Chief Operations Officer.
11. Time is of Importance and Extensions of Time: Time is of importance to this Contract. Delivery and other performance of Work must be completed within the times and by the dates specified. Time for delivery or other performance of Work shall not be extended except as provided in this Article. Failure to deliver or otherwise perform Work within the times and by the dates specified shall constitute a default and be grounds for IPSC to immediately terminate this Contract.

If Contractor makes a timely written request in accordance with this Article, the time for delivery or other performance of Work will be extended by a period of time equivalent to any delay in the whole Work which is: (a) authorized in writing by the Chief Operations Officer, (b) caused solely by IPSC, or (c) due to unforeseeable causes (such as war, strikes, labor disputes, shortages, or natural disasters) and which delay is beyond the control and without the fault or negligence of Contractor and subcontractors.

Contractor shall promptly notify the Chief Operations Officer in writing at both the beginning and ending of any delay, of its cause, its effect on the whole Work, and the extension of time claimed. Failure of Contractor to provide such written notices and to show such facts shall constitute conclusive evidence that no excusable delay has occurred and that no extension of time is required. Notwithstanding the above, if Contractor is delayed in the progress of the work due to wrongful acts or neglect of the Purchaser or others under IPSC's control, and if such delay cannot be compensated by an extension of time, then the contract price will be subject to equitable adjustment.

## DIVISION E1

GENERAL CONDITIONS

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The Chief Operations Officer will ascertain the facts and the extent of the delay and will extend the time for delivery when the findings of fact justify such an extension. The Chief Operations Officer's determination will be final and conclusive.

IPSC will be responsible for granting extensions of time as herein provided, but will not otherwise be responsible in any manner or liable to any extent for damage directly or indirectly suffered by Contractor as a result of any delay.

12. Protests and Claims: If Contractor considers any demand of the Chief Operations Officer to be outside of the requirements of this Contract, or considers any amount of payment, or any record, ruling, or other act, omission, or determination by the Chief Operations Officer to be unreasonable, Contractor shall promptly deliver to the Chief Operations Officer a written statement of the protest and of the amount of compensation or nature of accommodation, if any, claimed.

Upon written request by the Chief Operations Officer, Contractor shall provide access to all records containing any evidence relating to the protest or claim.

Upon review of the protest, claim, and evidence, the Chief Operations Officer will promptly advise Contractor in writing of the final decision which will be binding on all parties.

The requirements of this Article shall be in addition to, and shall not be construed as waiving claims provisions of the Statutes of the state of Utah. Contractor is deemed to have waived and does waive all claims for extensions of time and for compensation in addition to the Contract price except for protests and claims made and determined in accordance with this Article.

13. Limitation of Liability: Responsible Party: It is understood and agreed that IPA shall be the sole party or person liable to Contractor for payments under or pursuant to this Contract, and for any breaches, defaults, or for any torts in the performance of or in relation to this Contract by IPA, IPSC, or the Operating Agent, or any officers, agents, or employees thereof. Contractor hereby expressly covenants and agrees that no suit shall be brought by Contractor against IPSC, or the Operating Agent, or their or IPA's officers, agents, or employees, but that all rights or remedies that Contractor may have or that may arise under or in relation to this Contract shall be asserted by Contractor solely against IPA. Without limiting the foregoing provisions of this Article, Contractor shall have no right against any of the foregoing (including IPA) to assert or recover in contract or in tort, damages or losses in the nature of special damages, indirect damages, consequential damages, incidental damages, punitive, or exemplary damages.

The liability of Contractor and its employees, subcontractors, and suppliers on all claims of any kind (excluding property damage to the extent of proceeds from the insurance

## DIVISION E1

GENERAL CONDITIONS

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specified in this Contract, and death or bodily injury) whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, for all losses or damages arising out of, in connected with, or resulting from this Contract Agreement, or from the performance or breach hereof, or any extension or expansion thereof (including remedial warranty efforts), shall not exceed the Contract Price. In no event shall Contractor, its subcontractors, suppliers, and employees be liable to IPSC for any special, indirect, incidental, exemplary, or consequential damages under any cause or form of action whatsoever. This provision shall prevail over any conflicting or inconsistent provision or portion of this Contract.

14. Independent Contractor: Contractor shall perform all Work as an independent contractor in the pursuit of its independent calling. Contractor is not an employee, agent, joint venturer, partner, or other representative of IPA, IPSC, or the Operating Agent and shall be under the control of IPSC only to provide the services requested and not as to the means or manner by which the Work is to be accomplished. Contractor has no authority to act for, bind, or legally commit IPA, IPSC, or the Operating Agent in any way.
15. Drug Policy: Contractor shall submit a current copy of its drug policy for review. IPP facilities are a drug free and zero tolerance workplace. Contractor's employees and its subcontractors' employees who are to perform Work or otherwise be at the IPP facilities shall participate in a drug testing program prior to arrival, and at any additional time(s) during this Contract as IPSC may request.
16. Security and Safety Compliance: Contractor and its employees, agents, representatives, and/or subcontractors, while performing Work at IPP plant site, or who are otherwise on IPP premises, shall fully comply with all security, fire prevention, safety rules, and procedures in force at IPP. IPSC has the right (but not duty) to make periodic and random inspections of the persons, and of their respective property, upon entering, at any time while on, and when departing any IPP facility. Such persons subject to inspection include Contractor, any subcontractor, and their respective employees, agents, and representatives. Property subject to inspection includes, but is not limited to, vehicles, clothing, toolboxes, lunch boxes, any other carrying case, tools or equipment, and anything contained therein.

All Contractor's employees will be given security identification badges by IPSC and those badges shall be displayed each day to allow admittance to the IPP plant site. Contractor's employees who do not have security identification badges in their possession, will not be allowed on site unless signed in by the Contract Administrator. All security badges shall be returned to the Security Contractor when the employee terminates their work at IPP plant site. All Contractor's vehicles will also receive parking stickers from the Security Contractor allowing entrance to the IPP plant site. Temporary badges and parking stickers are available for intermittent Contractor employees and vehicles.

## DIVISION E1

GENERAL CONDITIONS

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Contractor shall have access to the IPP plant site between the hours of 7:00 am to 7:00 pm Monday through Friday. Access may be allowed on weekends or at other times with the approval of the Contract Administrator.

Contractor will be directed to specified areas for parking vehicles and equipment by the Contract Administrator. Certain areas of the IPP plant site are restricted to IPSC vehicles only. Exceptions to the parking restriction will be made on an as needed basis through Contractor's respective Contract Administrator. Contractor shall make its employees, agents, representatives, and/or subcontractors aware of all areas that are subject to restricted parking.

17. Nonexclusive: This is a nonexclusive Contract. IPSC reserves the right to obtain materials, services, equipment, or other Work from other vendors or suppliers.

**PART E - DIVISION E2**

**ADDITIONAL GENERAL CONDITIONS**

1. **Guarantee:** Contractor guarantees and warrants for a minimum period of **two (2) years** after delivery and Contractor 'Release to Operations', that all materials, services, equipment, and other Work furnished are free from defects and otherwise conform to the terms of this Contract, including, but not limited to, the Article entitled "Materials and Work" in Part E, Division E1, General Conditions and Part F, Division F2, Article 11, entitled "Performance Guarantees".

FURTHER, IT IS AGREED THAT THE CONTRACTOR MAKES NO OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Except as set forth in the liquidated damages portion of this Agreement, in the event of a detrimental defect in materials or workmanship, the Contractor's sole liability and IPSC's exclusive remedy, for breach of said warranty or for other warranty claims arising under this Agreement for any cause whatsoever, including negligence or strict liability, irrespective of whether such defects or claims are discoverable or latent shall be, at Contractor's option and expense, to repair the defect or replace the defective Work. IPSC shall, as promptly as is reasonable possible, provide Contractor access to the equipment as required to perform any necessary warranty work, and shall cooperate with Contractor to keep Contractor's associated labor costs to a minimum. If the parties agree, IPSC may provide the necessary labor to remove or install replacement parts at Contractor's expense. However, IPSC may not back charge Contractor for warranty claims without Contractor's prior written consent unless Contractor refuses or fails to perform the required warranty work on a timely basis. Equipment repaired, rebuilt, or modified by IPSC or other third parties without Contractor's consent carries no warranty, either express or implied. It is understood and agreed that some parts and/or materials included herein, such as, but not limited to, refractories, seals, liners, wear plates, are by their nature and use expendable and replaceable under normal operating conditions and are subject to increased wear and tear and more frequent replacement under start-up conditions, and shall be guaranteed only as to their quality when new, but there is no warranty or guarantee of the life of said expendable or replaceable parts and/or materials, express or implied. This warranty does not cover the effects of normal wear or abuse of the equipment, abrasion, erosion, or corrosion. Contractor does not warrant that the operation of the equipment will comply with any laws or regulations governing environmental impact.

This warranty is conditioned upon prompt notice of the particular detrimental defects within ten (10) days of actual discovery, proper use and maintenance of the equipment, reasonable access allowed to Contractor to inspect the equipment and no further damage to the equipment from acts of IPSC or third parties after discovery of the defect.

## DIVISION E2

## ADDITIONAL GENERAL CONDITIONS

Contractor shall, for the protection and benefit of IPA, IPSC, and LADWP, obtain guarantees or warranties in conformity herewith from each of its vendors and subcontractors with respect to their materials, services, equipment, or other portion of the Work.

2. **Payment:** Payment will be made according to the following schedule, as the identified milestones are achieved:

MILESTONE	AMOUNT PAYABLE	APPROXIMATE DATE
Boiler model and general arrangement drawings complete:	\$ 196,081	October 2002
Manufacturing drawings complete:	\$ 313,730	November 2002
Raw material ordered:	\$ 313,730	December 2002
Raw material delivered:	\$ 490,203	December 2002
Manufacturing complete:	\$ 627,460	February 2003
All materials on site:	\$ 949,032	March 2003
Construction complete:	\$ 952,954	April 2003
Performance testing complete:	\$ 78,434	June 2003
Within 30 days of testing completion:	\$ 435,736	July 2003
<b>TOTAL:</b>	<b>\$4,357,360</b>	

3. **Work Slips and Invoices:** Contractor shall furnish Work slips suitable for recording (e.g., - the weight of concentrated sulfuric acid in tons), at the time of each delivery. IPSC may direct the form of Work slips to be used. Accuracy of completed Work slips shall be subject to verification by IPSC, who will retain the original copies.

At the expiration of each calendar month during which material or Work is delivered, Contractor shall render an invoice and copies of signed Work slips (e.g., - the total weight of acid) delivered during said month.

Invoices shall be submitted in duplicate to Accounts Payable, Intermountain Power Service Corporation, 850 West Brush Wellman Road, Delta, UT 84624-9546. All letters pertaining to invoices shall be addressed to the foregoing address.

## DIVISION E2

ADDITIONAL GENERAL CONDITIONS

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IPSC may direct the form of invoice to be used. All invoices shall show the Contract number, release number, or other identification of each delivery covered by the invoice.

In all cases, the amount of the applicable sales tax or use tax shall be separately stated on the invoice.

4. Regulations, Permits, Licenses, and Warrants: Contractor shall comply with all applicable federal, state, and local regulations including, but not limited to, Federal and State OSHA, as said regulations relate to this Contract, Contractor's performance or Contractor's trade. In addition, Contractor shall ensure that all permits, licenses, and warrants relating to this Contract, Contractor's performance, and Contractor's trade be acquired.
5. Confidentiality: Contractor shall not disclose or permit to be disclosed, or reproduce or permit to be reproduced, to any third person any confidential or proprietary information such as designs, drawings, plans, calculations, techniques, management strategies, operating data, or regulatory information that Contractor obtains from IPA, IPSC, or LADWP without the express written consent of IPSC. This Article shall survive the termination or expiration of the Contract.
6. Letters to IPSC: All inquiries relating to these Specifications prior to award of Contract shall be addressed to the Buyer.

After award of Contract, all letters pertaining to performance of the Contract (other than invoice) shall be addressed as follows:

President and Chief Operations Officer  
Intermountain Power Service Corporation  
850 West Brush Wellman Road  
Delta, UT 84624-9546

Attention: James Nelson, Contract Administrator

Regarding Contract No. **03-45576**

**PART F - DIVISION F1**

**DETAILED SPECIFICATIONS - SPECIAL CONDITIONS**

1. **General:** Under the terms of this Contract, Contractor shall furnish and deliver **Design, Supply, and Installation of Boiler Uprate Modifications on Unit 1 and Unit 2** ordered by IPSC during the period of **two (2) years** beginning with date stated in the first introductory paragraph of the Contract Agreement (hereinafter called the Contractual Period), except as such time period may be adjusted in accordance with Article 11 of Division E1.
2. **Printed Documents:** All printed documents, including drawings and instruction books, if applicable, shall be in the English language. All units of measurement shall be in the English foot-pound-second system.
3. **Indemnity Clause:** Contractor undertakes and agrees to indemnify, hold harmless, and at the option of IPA, defend IPA, IPSC, LADWP, and any and all of their boards, officers, agents, representatives, employees, assigns, and successors in interest from and against any and all suits and causes of action, claims, charges, costs, damages, demands, expenses (including, but not limited to, reasonable attorneys' fees and cost of litigation), judgments, civil fines and penalties, liabilities or losses resulting from personal injury to any person, including Contractor's employees and agents, or damage to or destruction of property belonging to IPSC or to third parties arising from or incident to the negligence or willful misconduct of Contractor, or Contractor's officers, agents, employees, or subcontractors of any tier.
4. **Insurance Requirements:** Prior to the start of Work, but not later than thirty (30) calendar days after date of award of Contract, Contractor shall furnish IPSC evidence of coverage from insurers acceptable to IPSC and in a form acceptable to IPSC's Insurance Analyst. Such insurance shall be maintained by Contractor and at Contractor's sole cost and expense.

Such insurance shall not limit or qualify the liabilities and obligations of Contractor assumed under this Contract. IPA, IPSC, or LADWP shall not, by reason of any of their inclusion under these policies or otherwise, incur liability to the insurance carrier for payment of the premium for these policies.

Any insurance carried by IPA, IPSC, or LADWP which may be applicable is and shall be deemed excess insurance, and Contractor's insurance is and shall be primary for all purposes despite any provision in Contractor's policies to the contrary.

Should any portion of the required insurance be on a "Claims Made" policy, Contractor shall, at the policy expiration date following completion of the Work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits and terms and conditions of the expiring policy at least for the Contract under which the Work was performed.

## DIVISION F1

## SPECIAL CONDITIONS

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- a. **Workers' Compensation/Employer's Liability:** Workers' Compensation Insurance covering all of Contractor's employees in accordance with the laws of all states in which the Work is to be performed and including Employer's Liability Insurance, and as appropriate, Broad Form All States Endorsement, Voluntary Compensation, Longshoremen's and Harbor Workers' Compensation, Jones Act, and Outer-Continental Shelf coverages. The limit for Employer's Liability coverage shall be not less than \$3 million each accident and shall be a separate policy if not included with Workers' Compensation coverage. Evidence of such insurance shall be an endorsement to the policy providing for a thirty (30) calendar days prior written notice of cancellation or nonrenewal of a continuous policy to IPSC, by receipted delivery, and a Waiver of Subrogation in favor of IPA, IPSC, and LADWP, its officers, agents, and employees. Workers' Compensation/Employer's Liability exposure may be self-insured provided that IPSC is furnished with a copy of the certificate issued by the state authorizing Contractor to self-insure. Contractor shall notify IPSC, by receipted delivery, as soon as possible of the state withdrawing authority to self-insure.
- b. **Commercial General Liability:** Commercial General Liability with Blanket Contractual Liability, Products and Completed Operations, Broad Form Property Damage, Premises and Operations, Independent Contractors, and Personal Injury coverages included. Such insurance shall provide coverage for total limits actually arranged by Contractor, but not less than \$25 million Combined Single Limit and be specific for this Contract. Should the policy have an aggregate limit, such aggregate limits should not be less than \$50 million. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such coverage shall be on an endorsement of the policy acceptable to IPSC, and provide the following:
- (1) To include IPA, IPSC, LADWP, and their officers, agents, and employees as additional insured with the Named Insured for the activities and operations under and in connection with this Contract.
  - (2) That the insurance is primary and not contributing with any other insurance maintained by IPA, IPSC, or LADWP.
  - (3) That the policy shall not be subject to cancellation, change in coverage, reduction of limits or nonrenewal of a continuous policy, except after written notice to IPSC, by receipted delivery, no less than thirty (30) calendar days prior to the effective date thereof.
  - (4) A description of the coverages included under the policy.
- c. **Commercial Automobile Liability:** Commercial Automobile Liability covering the use of owned, nonowned, hired, and leased vehicles for total limits actually arranged by Contractor, but not less than \$1 million Combined Single Limit.

## DIVISION F1

SPECIAL CONDITIONS

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Such insurance shall include Contractual Liability coverage. The method of providing evidence of insurance and requirements for additional insureds, primary insurance, notice of cancellation, and Severability-of-Interest shall be the same as required in the Commercial General Liability Section of terms and conditions.

d. Other Conditions:

- (1) Failure to maintain and provide acceptable evidence of any of the required insurance for the required period of coverage shall constitute a major breach of Contract, upon which IPSC may immediately terminate or suspend this Contract. In addition or in the alternative, IPSC has the right (but not duty), to procure such insurance after providing Contractor a reasonable opportunity to cure any defect in insurance coverage and (a) to submit a claim for the cost thereof against any Performance Bond supplied by Contractor, (b) to deduct the cost thereof from any monies due Contractor under this Contract or otherwise, and/or (c) to charge and collect the cost thereof from Contractor, payable upon demand. Such claim, deduction, or charge shall include an administrative fee of 2 percent of the cost of procuring said insurance. Said insurance may be procured and maintained in the name of Contractor, IPA, IPSC, LADWP, and/or any combination thereof, as primary and/or secondary insured, all as IPSC may from time to time elect.
  - (2) Contractor shall be responsible for all subcontractors' compliance with these insurance requirements. The foregoing remedies in subsection (1) shall be available to IPSC against Contractor for any failure by any subcontractor to maintain and provide the required insurance.
5. Transportation: All shipments of hazardous materials under this Contract or in connection herewith shall be handled in accordance with current U.S. Department of Transportation regulations and all other applicable federal, state, and local laws and regulations.
6. Safety: Contractor agrees, warrants, and represents that (a) it is familiar with the risks of injury associated with the Work and otherwise being on IPP plant site, (b) has reviewed the Work to be performed, (c) has inspected the IPP job site with an IPSC representative, and (d) has determined that no unusual or peculiar risk of harm exists with regard to the Work to be performed at the IPP plant site. Contractor further agrees that it shall, at all times, provide at the IPP plant site a competent supervisor(s) familiar with IPSC's and the industry's safety standards to ensure compliance with all federal, state, and local regulations pertaining to safety (including, but not limited to, Federal and State OSHA, as said regulations relate to the Work to be performed under this Contract). Although IPSC assumes no responsibility to oversee or supervise the Work, IPSC reserves the right to review safety programs and practices and to make

recommendations to Contractor. No such review or recommendation by IPSC shall impose any liability or responsibility on IPSC, or relieve Contractor from providing a safe working environment and complying with all legal requirements.

Contractor shall comply with IPSC's safety and equipment requirements prior to starting Work. Worker protective clothing, which includes, but is not limited to, hardhats, safety glasses, safety shoes, gloves, respirators, earplugs, safety harnesses, and face shields shall be provided by Contractor.

Prior to starting Work, all of Contractor's personnel shall attend a safety orientation taught by a representative of IPSC. At Contractor's option and subject to IPSC's approval, a supervisor of Contractor may attend the orientation taught by IPSC, and then present the orientation to the remainder of Contractor's personnel. In that case, a roll shall be provided to IPSC which lists each person who received the orientation and the date it was received.

7. **Material Safety Data Sheets:** Contractor shall furnish IPSC with a Material Safety Data Sheet (MSDS) for all hazardous materials furnished under this Contract, used, stored, or transported on or near IPA premises in connection with this Contract. The MSDS shall be furnished to IPSC on, or prior to, the date of the first delivery, use, storage, or transportation of the materials or equipment.

If these Specifications require that Contractor furnish instruction books, the MSDS shall also be included in such books.

8. **Liquidated Damages:** IPSC shall be compensated, and Contractor shall be charged for failure in timely delivery or installation in compliance with these Specifications ("substandard performance"). These provisions are intended to compensate IPSC for losses that are too difficult or impossible to measure, but which will nevertheless be incurred by IPSC in the event of the following kinds of substandard performance:

- a. If Contractor is not prepared to proceed with the approved installation plan at the start of each respective outage, Contractor shall pay for all costs associated with mobilization and demobilization incurred by Contractor plus a boiler performance charge of \$50,000.
- b. For each day at the start of each respective outage that Contractor is unprepared to execute the approved installation plan, Contractor shall be assessed a charge of \$50,000 up to a maximum of ten (10) days or \$500,000.
- c. For each day or portion thereof, that Contractor exceeds the 'Boiler Released to Operations' date specified in the Contract installation plan, Contractor shall be charged \$50,000. The maximum liquidated penalty for extending a single unit outage shall be ten (10) days or \$500,000.

## DIVISION F1

SPECIAL CONDITIONS

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- d. Contractor shall be allowed to avoid one (1) day of charge associated with exceeding the 'Boiler Released to Operations' date, should such occur, if all materials and equipment are received and staged at IPP plant site in accordance with the approved installation plan, at least one (1) week prior to the outage start date. All boiler tubing must be received at the IPP plant site at least two (2) weeks prior to the outage start date in order to take advantage of this incentive.
  - e. For each tube or weld failure (tube leak) incident occurring at a Contractor installed tube or weld within two (2) years of installation, Contractor shall pay to IPSC the sum of \$10,000.
  - f. For each full day or portion thereof, up to a maximum of two (2) days, Contractor improves the 'Boiler Released to Operations' date specified in the Contract installation plan, Contractor shall be paid \$25,000. The maximum bonus for shortening a single unit outage shall be \$50,000.
  - g. Contractor's liability for liquidated damages will in no event exceed in the aggregate a total of 10 percent of the total Contract price. Liquidated damages shall not be assessed unless IPSC provides written notice of intent to commence liquidated damages. Payment of liquidated damages shall be the sole and exclusive remedy for identified unexcused delay, or identified unexcused performance shortfall, as the case may be. It is understood that no liquidated damages shall be assessed for delays in delivery or completion which do not affect the 'Approved Installation Schedule' milestones or operation and that the liquidated damages will be applicable only if Contractor's unexcused delay is the sole cause of delay in the completion of the Work.
9. Contract Termination:
- a. For Convenience or Security: IPSC reserves the right, by giving twenty (20) calendar days prior written notice (or such longer notice as IPSC may select) to Contractor, to terminate the whole or any part of this Contract at IPSC's convenience, whether or not Contractor is in default. IPSC also reserves the right to terminate this Contract, effective immediately upon notice, for purposes of security or safety of IPP or IPA facilities, persons who work at IPP or IPA facilities, or the public. In the event of termination for convenience, security, or safety, IPA will pay Contractor reasonable and proper termination costs (if, however, Contractor's Proposal includes cancellation charges, payment for termination costs shall not exceed the cancellation charges set forth therein). Contractor shall, after consultation with IPSC, take all reasonable steps to minimize the costs related to termination. Contractor shall provide IPSC with an accounting of costs claimed, including adequate supporting information and documentation and IPSC may, at its expense, audit the claimed costs and supporting information and documentation.

## DIVISION F1

SPECIAL CONDITIONS

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- b. For Breach: IPSC may after providing Contractor a reasonable opportunity to initiate and diligently proceed with completing a cure, terminate the whole or any part of this Contract, effective immediately upon notice, in the event Contractor is in material default, and without right on the part of Contractor to claim any termination costs. This right to terminate is in addition to, and not in lieu of, any other remedy provided in this Contract or otherwise provided by law or equity.
  - c. Limitation of Liability: In no event shall termination of this Contract by IPSC, or any portion thereof, whether for convenience, security, safety, breach, or otherwise, constitute the basis for or result in any claim for consequential damages (including loss of anticipated profits or other economic damages) or punitive damages, and Contractor hereby releases IPA, IPSC, and LADWP, and their officers, directors, employees, agents, and representatives, from any and all such claims or liability.
10. Suspension of Work: IPSC reserves the right to suspend and reinstate execution of the whole or any part of this Contract and Work without invalidating the provisions of this Contract. In the event Work is suspended, Contractor will be reimbursed for actual direct unavoidable costs that it reasonably incurs as a result of the suspension. Claims for such cost reimbursement shall be submitted by invoice. Contractor shall use all reasonable means to minimize such costs, and shall allow IPSC to audit costs claimed. Contractor shall, upon request by IPSC, provide a projection of costs it anticipates to incur during any suspension, or continuation of suspension, contemplated by IPSC. In no event shall suspension constitute the basis for, or result in, any claim for consequential damages (including loss of anticipated profits or other economic damages) or punitive damages, and Contractor hereby releases IPA, IPSC, and LADWP, and their officers, directors, employees, agents, and representatives, from any and all such claims or liability.
11. No Waiver: No breach, noncompliance or other failure to perform (collectively "breach") by Contractor, or any subcontractor, or of any Work shall be deemed waived unless expressly waived in writing by the President and Chief Operations Officer. No waiver of any one breach by IPSC shall be deemed to waive any other prior, concurrent, or subsequent breach. No exercise, or failure to exercise, or delay in exercising any particular remedy by IPSC shall be deemed a waiver or preclude IPSC from subsequently invoking that remedy for that breach or any other breach. All remedies granted to IPSC in this Contract, or by law or equity, are cumulative and may be exercised in any combination or order.
12. Typical IPP Job Site Weather Conditions: The average daily temperature at IPP plant site is 90°F in summer and 45°F in winter. During winter it is common for the temperature to stay below 10°F for up to two (2) weeks. Winter snow is a common occurrence and can stay on the ground for extended periods. The boilers are located indoors; however, are open to ambient conditions during outages. Contractor shall come prepared for temperature extremes.

**PART F - DETAILED SPECIFICATIONS**

**DIVISION F2 - DETAILED REQUIREMENTS**

1. **General:** The scope of this Contract includes the design, procurement, fabrication, delivery, installation, and start-up of modifications to the Intermountain Generating Station (IGS) Unit 1 and Unit 2 Steam Generators.
  - a. These Contract modifications shall provide for a continuous boiler operation of 6,900,000 lbs/hr output, 1005°F superheat and 1005°F reheat temperature. These modifications shall also include an OFA system capable of providing a reduction in NOx emissions as specified in Article 11 of this Section entitled "Performance Guarantees".
  - b. Within the design phase of the Work, Contractor shall review all operational impacts on associated equipment and systems such as fans, burners, and dampers. Any concerns regarding operating limitations or increase power demands noted within the modeling/design phase shall immediately be brought to the attention of the Contract Administrator.
  - c. A primary focus of this Contract shall be the optimization of the Work to occur during Unit off-line hours. Detailed planning of the Contract Work Scope shall include a level of redundancy in equipment and manpower to ensure that guaranteed schedules are achieved.
2. **Project Scope:** The successful bidder shall provide and complete the following Work:
  - a. **Boiler Model:** Contractor shall prepare and utilize a representative boiler model to determine the proper design, arrangements, operating guidance, and operational impact associated with the boiler modifications within this Contract. A complete set of model inputs and results of the various model runs shall be provided to IPSC as part of IPSC's design review of this Project. Among the operational impacts evaluated shall be:
    - (1) Superheat Temperature and Pressure
    - (2) Reheat Temperature
    - (3) Furnace Exit Gas Temperature
    - (4) Economizer Exit Gas Temperature
    - (5) Generation of Oxides of Nitrogen
    - (6) Furnace Heat Absorption and Cleanliness
    - (7) Superheat and Reheat Attenuator Sprays
    - (8) Carbon Monoxide Generation
    - (9) Burner Metal Temperatures both In-Service and Out-of-Service

## DIVISION F2

DETAILED REQUIREMENTS

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- b. Platen Superheat Extension: Contractor shall design, fabricate, and install additional platen superheat surface on both Unit 1 and Unit 2, to maximize both reheat and superheat temperature support while maintaining boiler efficiency. The base design case shall consist of an 8 foot extension of the platen superheater element loops.

Unless otherwise specified or recommended by the bidder, the extensions shall be installed at a single cut line located 18 inches above the upper, inner loop tube of each platen element. This will result in an approximate vertical section length on the outer loop tube of each element of 13.5 feet or an actual element extension of 8 feet. The design shall include appropriate modifications to the steam cooled alignment tubes, additional alignment castings, and all other provisions for ensuring reliable long-term operation of the platen superheaters.

The platen extension design shall include a complete assessment of the adequacy of the existing structural support systems, metallurgy, seismic, environmental impacts, boiler efficiency, and other operational impacts of the associated boiler modifications.

Contractor shall perform a specific assessment of the adequacy of the present sootblowing system and provide recommendations for sootblowing system enhancements where advisable. Assessment of, and provisions for, quantifying and minimizing tube wastage and fouling concerns shall be included within the detailed design.

- c. Overfire Air System: Contractor shall design, fabricate, and install an OFA system on Unit 1 and Unit 2 capable of reducing overall NO<sub>x</sub> by 15 percent on each unit allowing for normal operation at or below 0.40 lbs/MMBTU NO<sub>x</sub>. (See Performance Guarantees, Division F2, Article 11).

Within the design phase of the Work, Contractor shall review all operational impacts on associated equipment and systems such as fans, burners, and dampers. Anticipated operating modes, recommended operating methods, and allowable equipment limits shall be clearly defined for the affected systems.

Contractor shall provide a complete set of drawings for the OFA system modifications including details of the type, quantity, and manner of interface for each existing system or piece of equipment affected by the Contract modifications. Drawings shall include item-by-item detail of instrumentation, piping, power, and any other inter-ties with, or connections to, plant systems.

This Work includes all access, disassembly, insulation removal, scaffolding, waterwall window construction, OFA port installation, duct installation, air balancing hardware installation, and insulation/lagging replacement. The OFA system shall be designed and constructed with standard sized components and assemblies. This is to allow for retrofit of additional OFA system components or assemblies into Unit 1 and Unit 2 boilers at a later date in the case where a bidder proposes something less than a full OFA system at the present time.

## DIVISION F2

DETAILED REQUIREMENTS

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- d. Alignment of Intermediate Superheat: Contractor shall install, IPSC provided, split-ring alignment castings, as replacements in the locations of the original castings on the intermediate superheat pendants. This Work consists of aligning the existing tube elements and installing the castings at three (3) elevations on each vertical section of the intermediate superheat pendants. This is a total of approximately two-hundred fifty (250) castings.
- e. Insulation and Lagging: Contractor shall provide and install replacement insulation anchors, insulation, lagging, and all other materials required for complete restoration of any and all boiler external surface removed or disturbed during or resulting from Contract Work. Contractor shall replace or install insulating materials of a quality meeting or exceeding the insulation system currently in use on the respective boiler and system components.
- f. Access Provisions: Contractor shall design, furnish, and install a multilevel access scaffolding system for installation in the boiler furnace in four (4) days or less. Removal of the scaffold from the boiler shall occur in three (3) days or less.

The scaffold system shall be designed to allow access for Work on all burner levels, OFA port installation, general inspection, and repair of possible eroded areas around all wall blowers and full platform access at the arch nose elevation. This includes a 4 foot full-perimeter walkway, access at eight (8) separate levels, and a full platform at the arch nose elevation.

Above the nose platform, scaffold shall be provided for full access to platen tube cut/weld line on both sides of each element. Scaffold shall be designed for convenient standing access to all platen extension welds.

Scaffold hardware shall also be provided for access to all approximate two-hundred fifty (250) split-ring castings on the intermediate superheat pendants.

IPSC may elect to provide the boiler internal scaffold from other sources. In this case, IPSC will consult directly with Contractor regarding access requirements and schedule coordination. All responsibilities for access hardware shall be clearly set forth in the approved installation plan.

Contractor shall provide any replacement membrane wall material/sections associated with additional access requirements or other material arising out of Contractor's installation plan. Access ways installed through the boiler wall membrane shall be done in such a way as to maximize productivity and minimize total outage time required. Extent of membrane wall prefabrication shall be detailed in the installation plan.

All scaffold and access hardware shall be OSHA approved structures. The furnace scaffold structure shall be thoroughly reviewed and stamped by an experienced, professional, structural engineer licensed in the state of Utah.

## DIVISION F2

DETAILED REQUIREMENTS

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IPSC shall be allowed access to scaffold and other access provisions in any areas required. This work will be coordinated through the Contract Administrator or designee in a manner aimed at minimizing Contractor's schedule impacts. IPSC's scheduled work within the areas of the Contract Work shall be outlined within the approved installation plan.

- g. Technical Support: Contractor shall consult with IPSC throughout the design development process allowing IPSC to participate in the selection process of preferential items or common industrial equipment required within the design. Bidders shall include the names and direct dial telephone numbers of the lead project design engineers in each area of expertise, in the bid package. Where possible, the name and telephone number of the assigned site construction coordinator shall also be provided. All technical advisory personnel assigned to support IPSC within this Project shall have a minimum of ten (10) years experience in the issues to be addressed.

During construction and startup, Contractor shall provide full-service technical support in all areas of expertise required for successful startup and tuning of the boiler. This shall include technical support in proper positioning, tuning, operation, and control of the convection pass bias dampers.

Bidders shall include a minimum of two (2) weeks of support following startup to ensure stable operation. In addition, bidders shall include at least one (1) additional week (including travel and board) at IPP job site for two (2) people to witness and participate in the full-load operational testing. Should extended problems arise as a direct result of the Contract modifications, Contractor shall provide whatever level of support is required to address the problems, in a timely manner.

- h. Clean-up and Demobilization: Contractor shall be responsible to maintain its work areas in an organized and safe manner throughout the execution of the installation plan. IPSC shall retain the right to assess and require correction of any areas or situations it deems as impacting ongoing operations and maintenance. Waste material produced during a shift shall be disposed of by the end of the following shift.

At the conclusion of each outage, Contractor shall ensure that all work areas associated with this Contract are restored, replaced, and/or cleaned in a manner similar in appearance to that found prior to the outage.

3. Schedules: The Unit 1 outage is currently scheduled to begin March 1, 2003 and end March 28, 2003. The Unit 2 outage is currently scheduled to begin February 28, 2004 and end March 26, 2004.

- a. All bidders shall provide a guaranteed installation schedule as part of the proposed installation plan submitted with each bid package.

## DIVISION F2

DETAILED REQUIREMENTS

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- b. The proposed installation plan shall be developed to ensure completion of all Work inside the boiler within a maximum of twenty-six (26) days. This twenty-six (26) day period shall include four (4) days for installation of the boiler internal scaffolding and three (3) days for removal of the same.
  - c. Work not requiring the unit to be off-line, such as mobilization, staging, boiler enclosure structural access work, demobilization, etc., shall be clearly identified on the proposed installation plan and can be coordinated outside this outage window, with approval from the Contract Administrator.
  - d. The bidders shall provide a schedule of costs associated with an IPSC scheduled delay of the outage start date in one (1) week increments up to one (1) month. These costs shall be based on notification from IPSC one (1) month prior to the scheduled outage start dates and a second schedule based on notification from IPSC one (1) week prior to the scheduled outage start dates.
  - e. Unless otherwise noted in these Specifications, IPSC facilities and equipment shall not be used in support of this Work. To prevent delays, caused by equipment breakdown, Contractor shall provide spare tools and equipment at IPP job site in reasonable quantities in anticipation of equipment failures.
4. Installation Plan: Each bidder shall prepare and provide, with each bid package, a proposed installation plan showing Project progress on a daily basis beginning with initial equipment delivery and ending with job site clean up and exit.
- a. The proposed installation plan, submitted with the bid package, shall be the basis for development of the approved installation plan forming a part of the eventual Contract governing this Work. The approved installation plan shall be used as the basis for instituting mid-outage resource corrections and for calculating any liquidated damages charges associated with completion of the Work Scope.
  - b. The proposed installation plan shall include detailed information regarding each task within the Contract scope, including:
    - (1) Equipment and Material Delivery
    - (2) Equipment Mobilization and Assembly
    - (3) Manpower Loading Throughout Contract
    - (4) Scaffold Installation Plan
    - (5) Scaffold Erected, Guaranteed Date
    - (6) Scaffold Removed, Guaranteed Date
    - (7) Boiler Pendant Split-Ring Casting Replacement

## DIVISION F2

DETAILED REQUIREMENTS

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- (8) Platen Loop Removal and Extension
  - (9) Overfire Air Port Window Removal and Port Installation
  - (10) NDE Requirements
  - (11) Combustion Air Ducting Modifications
  - (12) Any Windbox or Burner Work Required by OFA Design
  - (13) Boiler Insulation Specifications
  - (14) Boiler Released to Operations, Guaranteed Date
  - (15) Equipment Disassembly
  - (16) Material Equipment Removal and Area Clean-up
- c. The proposed installation plan, to be included as part of the submitted bid, shall include estimates of all required on-site services, with clear identification of each request for service to be provided by IPSC. These estimates shall include power service requirements for running all electrical equipment and compressed air requirements. Authorization for connection to and use of requested power, compressed air, or other on-site services must be coordinated and approved by the IPSC Contract Administrator.
- d. At least two (2) months prior to mobilization to IPP plant site, the successful bidder shall provide a detailed material "laydown plan" for coordination of area utilization and access. The laydown plan shall address staging and temporary storage requirements for all associated materials and equipment in order to minimize interference with ongoing plant operations and outage work.
- This laydown plan shall be submitted to and approved by the Contract Administrator prior to receiving any Contract materials, equipment, or craft personnel on site for the outage work.
- e. Contractor shall provide and utilize two (2) certified welders over and above the minimum number required to meet the guaranteed schedule specified within the proposed installation plan. Any welder found to produce more than one (1) substandard weld within a seven (7) day period shall be permanently removed from code welding work for the duration of the Project. Determination of substandard weld quality shall be the responsibility of the Contract Administrator or designee.
5. Applicable Codes and Standards: The Work performed within these Specifications shall adhere to the applicable portions of the latest published revision of the following codes and standards:

## DIVISION F2

DETAILED REQUIREMENTS

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- a. ASME - American Society of Mechanical Engineers
  - b. NBIC - National Board Inspection Code
  - c. AWS - American Welding Society
  - d. OSHA - Occupational Safety and Health Administration
  - e. ASNT - American Society for Nondestructive Testing
  - f. Contractor's Utah Jurisdiction Approved R Stamp Program
6. **Safety:** Contractor shall be responsible to provide and manage an acceptable safety program. (For additional information see Division F1, Article 6).
- a. Contractor shall provide a full-time safety representative. The safety representative shall act as the point of contact for all safety-related issues and may be assigned additional duties.
  - b. Contractor shall provide copies of written safety policies/plans to the Contract Administrator one (1) month prior to beginning Work. These include, but are not limited to, Respiratory Protection, Confined Spaces, and Hazardous Communications.
  - c. Prior to flame cutting or welding in any location, Contractor shall first obtain a Hot Work Permit. This permit will be coordinated by the Contract Administrator or designee. The permit lists mandatory safety precautions which shall be taken before, during, and after hot work.
  - d. Contractor shall ensure its employees perform Work in accordance with all applicable federal, state, and local safety and health regulations. The IPSC Safety Section personnel will periodically monitor the Work site. If violations are noted, they will be reported to Contractor's on-site supervisor and the Contract Administrator for appropriate action.
  - e. The following is a list of anticipated safety hazards and personal protective equipment needed in the Contract Work area. This must not be considered a complete listing of all potential hazards. Contractor shall provide appropriate personal protective equipment to its employees to protect against these hazards and others as they are identified :

## DIVISION F2

## DETAILED REQUIREMENTS

Hazard	Safety Equipment Required
Hazardous noise	Earplugs and/or earmuffs
Toxic fumes and/or vapors from welding, grinding, or solvent type cleaning	Preparing for proper working atmosphere in and around the boiler requires specific preparation by Contractor
Head injuries from falling material or bumps	Hardhats
Burns from welding and cutting	Gloves, long sleeve shirts, and welding leathers
Foot injuries from dropped tools or equipment	Steel-toed boots
Eye and face injuries	Safety glasses and face shields

8. Quality Assurance/Quality Control:

- a. IPSC reserves full access rights for quality assurance (QA) inspections of ongoing Work. A nonbinding schedule identifying the anticipated approximate number of random QA inspections in each area shall be prepared by IPSC and included within the approved installation plan.
- b. Contractor shall provide, within the proposed installation plan, a quality control plan, identifying the procedures and acceptance criteria to govern the Work. The Work specific quality control plan shall detail the number and type of examinations to be performed during installation to ensure the long-term integrity of all pressure boundaries and structural connections.
- c. The successful bidder shall provide all required nondestructive examination (NDE) personnel in support of Contractor's R Stamp Program and as detailed in the approved installation plan. These personnel shall be trained and certified in accordance with ASNT standards, with at least five (5) years in the applicable technique.
- d. Contractor shall provide to IPSC a copy of all code documentation required, including, but not limited to:
  - (1) NDE Certifications
  - (2) R Forms
  - (3) Repair Plans

## DIVISION F2

DETAILED REQUIREMENTS

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- (4) Welder Certifications
  - (5) Procedure Qualifications
  - (6) NDE Reports
  - (7) Material Test Reports
- e. Contractor shall submit certified weld procedures and welder qualification records for each welder employed, to the Contract Administrator prior to beginning Work.
  - f. A substandard weld shall be defined as any weld declared substandard in the opinion of the Contract Administrator or designee. The ASME and AWS codes will form the basis of the acceptability determination.
  - g. Completed welds shall be smooth and free of undercutting, cavities, depressions, cracks, surface porosity, weld craters, overlaps, and abrupt ridges. All welds shall meet the specifications of the applicable sections of AWS and ASME Section I.
9. Available On-Site Services: Unless otherwise arranged in writing with the Contract Administrator, on-site services shall be provided in accordance with this Section. Services not covered in this Section shall be provided by Contractor.
- a. IPSC will make potable water, compressed air (small volume only), and electricity available at 460 volt and 120 volt. Connections to IPSC electric or water systems shall be made only by IPSC employees unless approved otherwise in writing for each specific location. Contractor shall identify all service connection requirements within the proposed installation plan.
  - b. Contractor shall provide enough sanitary facilities for its employees. Contractor employees are prohibited from using the permanent restroom facilities at IPP plant site.
  - c. Equipment and material staging requirements shall be clearly detailed within the successful bidder's site laydown plan submitted to the Contract Administrator at least two (2) months prior to the outage start date. Actual placement of materials and equipment shall be coordinated with the Contract Administrator.
  - d. Contractor shall maintain a clean work space. Contractor shall clean the work site daily. This includes, but is not limited to, picking up trash, sweeping, washing the area as necessary, straightening cords and hoses, organizing tools and equipment, and emptying trash receptacles. IPSC will provide trash collection containers (dumpsters) for Contractor's use outside the generation building at ground level. IPSC will empty these containers as needed.

## DIVISION F2

## DETAILED REQUIREMENTS

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- e. IPSC will provide general fire protection and first aid services. Provisions for local fire extinguishing, such as weld slag induced fires, shall be provided by Contractor. All workplace injuries shall be reported to IPSC's First Aid Clinic and the Contract Administrator.
  - g. IPSC will not provide office or administrative space or off-site telephone service to Contractor; however, IPSC will make an on-site telephone line available to Contractor at a specific, office-trailer-ready location, if requested. Contractor shall make its own arrangements for off-site and long distance telephone service.
10. Shipping, Receiving, Handling, and Storing:
- a. Shipping: The Contractor shall ensure that all materials and equipment are securely prepared for shipment to prevent damage and or deterioration. All pressure parts shall be coated with a light color rust inhibiting coating prior to shipment to allow for ready identification and correction of damaged material.  
  
Tube ends shall be fully prepared for installation prior to shipment and shall be capped or otherwise protected from damage during shipment. Tubing shall be shipped and stored with means for preventing oxidation/corrosion of internal and external surfaces.
  - b. Receiving: Upon arrival at IPP plant site, Contractor shall examine all shipments for shortages, discrepancies, or damage. Contractor shall prepare a report itemizing the material received and submit the report to the Contract Administrator.
  - c. Handling: Contractor shall be responsible for any damage to equipment and materials until final acceptance of the Work. Contractor shall be responsible for arranging the unloading of all carriers promptly and shall pay any demurrage incurred. Materials shall be handled with due care to prevent damage or loss.
  - d. Storage: All materials, equipment, and supplies not immediately incorporated in the Work shall be placed in storage. Storage areas will be allocated and assigned by the Contract Administrator and will be in the general area of the Work. The storage areas shall be kept clean and orderly at all times.  
  
Contractor shall temporarily connect the motor space heaters for the fan motors to a 120 volt source while in storage and construction until a permanent source is available.
11. Performance Guarantees: Contractor guarantees the following performance when operating in accordance with the parameters identified in Article 12 of this Section:

## DIVISION F2

## DETAILED REQUIREMENTS

NOx Emissions:  (Four (4) hour average test performed at the economizer outlet, using EPA method 7E and/or certified at the stack)	0.37 lb/10 <sup>6</sup> BTU
CO Emissions:  (Four (4) hour average test performed at or near the economizer, using EPA method 10)	<100 ppm
Unburned Carbon (UBC) in flyash	<4.25%
Superheat and reheat outlet temperatures:  (Steam temperatures shall be controllable and maintainable throughout the four (4) hour test)	1005° ± 5°F

- a. NOx guarantee to apply at any load between a turbine throttle flow of 4,055,000 lbs/hr to a turbine throttle flow of 6,750,000.
  - b. O<sub>2</sub> measurements to be performed at the economizer outlet, using EPA method 3A.
  - c. Methods of sampling and analysis for carbon in flyash for acceptance testing shall be identical to the methods used for baseline testing.
  - d. Contractor's obligation shall be considered fulfilled and the equipment accepted if the performance tests show that the equipment performs as described above or if the performance tests are not conducted, through no fault of Contractor, within six (6) months after delivery or within sixty (60) days after Contractor's written notice of readiness for testing, whichever occurs first. In the event the performance tests demonstrate that the itemized performance guarantees have not been achieved as a result of Contractor's responsibilities under the Contract, Contractor shall redress any performance deficiencies in accordance with the provisions of Article 1 "Guarantee" of Part E, Division E2.
12. Operation Parameters Associated with Guarantees: The above guarantees shall be verified in a steady state operational testing within sixty (60) days of installation. Steady state operation shall be defined as stable and reliable operation at and throughout the following operating conditions and ranges for a period of at least four (4) hours:

## DIVISION F2

DETAILED REQUIREMENTS

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- a. Coal feeder to feeder fuel balance within  $\pm 5\%$ .
- b. Coal pipe primary airflow and coal flow balance to be  $\pm 10\%$  (as established by calculation or field testing).
- c. Coal fineness leaving each pulverizer shall not be less than 70% through 200 mesh screen and 99% through 50 mesh.
- d. Adequate and steady fuel flow to maintain desired load.
- e. Primary air/coal temperature in the range of 150°F to 160°F for bituminous coal.
- f. Air/fuel ratio as determined during the baseline tests.
- g. Secondary air temperature in the range of 660°F to 670°F.
- h. Excess air to be in the range of 13.5% to 18% (performance guarantees are to be achieved throughout this range).
- i. Baseline and acceptance coal must have same slagging/fouling characteristics.
- j. Seven (7) pulverizers in-service (E and G pulverizers alternately out-of-service).
- k. Superheat and convection pass surfaces maintained within a range of 80% to 85% actual cleanliness.
- l. Boiler tube maximum allowable metal temperatures must not be exceeded.
- m. Turbine throttle pressure of 2,375 psi.
- n. Furnace cleanliness maintained at 85% to 90% actual cleanliness.
- o. Superheat attemperator spray flow at or above 50,000 lbs/hr.
- p. Reheat attemperator spray flow at 0 lbs/hr.
- q. Boiler and boiler auxiliaries will be in good operable condition.
  - (1) Performance guarantees are contingent upon unit performance verification. Baseline performance testing data obtained prior to Low NOx modifications will be used for performance verification.
  - (2) Performance guarantees are based upon burning bituminous fuel, as shown in the May 2002 coal analysis from James Nelson dated 7/31/02.

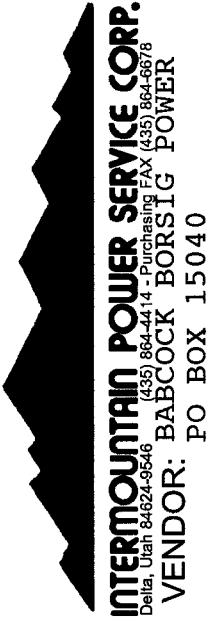
DIVISION F2

DETAILED REQUIREMENTS

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- (3) Performance guarantees are based upon the data furnished to Contractor concerning the conditions under which the equipment is required to perform.
- (4) IPSC accepts responsibility for the correctness of that data supplied by IPSC, if such data cannot be verified by other means.





**INTERMOUNTAIN POWER SERVICE CORP.**  
Delta, Utah 84624-9546 (435) 864-4414 - Purchasing FAX (435) 864-5678

**VENDOR: BABCOCK BORSIG POWER**  
PO BOX 15040

5 NEPONSET ST (01606)  
WORCESTER, MA 01615-0040

508-852-7100

# PURCHASE ORDER

18 OCT 2002

VENDOR MUST SHOW P.O. NUMBER ON ALL INVOICES, BILL OF LADING, CORRESPONDENCE, AND ON PACKING LISTS IN EACH CONTAINER, TO INSURE PROMPT PAYMENT. CHARGES FOR TRANSPORTATION MUST BE SUPPORTED BY COPY OF FREIGHT BILL.

PURCHASE ORDER NO. 03-45576  
VENDOR CODE 7792  
REQUISITION NO 181199

\* \* \* S H I P T O \* \* \*  
INTERMOUNTAIN POWER SERVICE CORPORATION  
850 W. BRUSH WELLMAN RD.  
DELTA , UT 84624-9546

CONFIRMING DOX NOT DUPLICATE	NON CONFIRMING	SHIP VIA N/A	TERMS AS INVOICED	FOB POINT NONE	1 PAGE OF 1	MAIL
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INTERMOUNTAIN POWER SERVICE CORPORATION'S STANDARD TERMS AND CONDITIONS ARE INCLUDED AS PART OF THIS AGREEMENT						
QUANTITY ORDERED	UNIT	IPSC PART NO.	DESCRIPTION	ACCOUNT NUMBER	UNIT PRICE	EXTENSION
1	EA		LINE 1 DESIGN, SUPPLY, AND INSTALL: BOILER UPRATE MODIFICATIONS ON UNIT 1 AND UNIT 2  CONFIRMING TO JAMES WOOD - DO NOT DUPLICATE  RCN/LF  **NOTE: THIS PURCHASE ORDER WAS ENTERED FOR TRACKING & ACCOUNTING PURPOSES ONLY**	00-1SGX-402 02-60456-0	ADVISE	

DATE REQUIRED 10/17/04

1. Invoices and correspondence may be mailed to Intermountain Power Service Corporation, 850 West Brush Wellman Rd., Delta, Utah, 84624-9546.

2. Acknowledgement is required if shipment will not be made within Five days.

3. Mark packages or items with IPSC part number and/or P.O. Line number. Show number on invoice and packing slip.

4. Vendor must furnish applicable material safety data sheets.

5. Add to invoice all applicable federal taxes.

RALPH NEWBERRY 435-864-4414

BUYER

REVIEWED BY GEORGE CROSS

IP7\_034653



# PURCHASE ORDER

VENDOR MUST SHOW P.O. NUMBER ON ALL INVOICES, BILL OF LADING, CORRESPONDENCE, AND ON PACKING LISTS IN EACH CONTAINER, TO INSURE PROMPT PAYMENT. CHARGES FOR TRANSPORTATION MUST BE SUPPORTED BY COPY OF FREIGHT BILL.

PURCHASE ORDER NO.	VENDOR CODE	REQUISITION NO
03-45576	7792	181199

18 OCT 2002  
REVISED 17 AUG 2005

\* \* \* S H I P T O \* \* \*  
INTERMOUNTAIN POWER SERVICE CORPORATION  
850 W. BRUSH WELLMAN RD.  
DELTA , UT 84624-9546

**VENDOR: BABCOCK BORSIG POWER**  
PO BOX 15040  
5 NEPONSET ST (01606)  
WORCESTER, MA 01615-0040  
508-852-7100

CONFIRMING DO NOT DUPLICATE X	NON CONFIRMING	SHIP VIA N/A	TERMS AS INVOICED	FOB POINT NONE	PAGE OF 1 1	MAIL
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## INTERMOUNTAIN POWER SERVICE CORPORATION'S STANDARD TERMS AND CONDITIONS ARE INCLUDED AS PART OF THIS AGREEMENT

QUANTITY ORDERED	U M	IPSC PART NO.	DESCRIPTION	ACCOUNT NUMBER	UNIT PRICE	EXTENSION
0	EA		THIS IS A PURCHASE ORDER ADJUSTMENT  LINE 1 DESIGN, SUPPLY, AND INSTALL: BOILER UPRATE MODIFICATIONS ON UNIT 1 AND UNIT 2  **PER REQUISITION 189809, INCREASE CONTRACT AMOUNT BY \$60,000; FOR TEI CONSTRUCTION TO PROVIDE ALL LABOR, TOOLS, EQUIPMENT, AND WELDING SUPPORT FOR BURNER INSPECTION REPAIRS REQUIRED DURING UNIT 1, 2003 OUTAGE** RCN/CLE  **PER REQUISITION 214873, INCREASE CONTRACT AMOUNT BY \$100,000 FOR EARLY-COMPLETION INCENTIVE; APPROVED BY LADWP 7/29/05; TOTAL AMOUNT OF CONTRACT IS \$8,689,769** RCN/CLE 8/17/05	1SGX-402 02-60456-0	** PRICE 8,689,769.00	CHANGED 0.00

- Invoices and correspondence may be mailed to Intermountain Power Service Corporation, 850 West Brush Wellman Rd., Delta, Utah, 84624-9546.
- Acknowledgement is required if shipment will not be made within FIVE days.
- Mark packages or items with IPSC part number and/or P.O. Line number. Show number on invoice and packing slip.
- Vendor must furnish applicable material safety data sheets.
- Add to invoice all applicable federal taxes.

UTAH VENDORS ARE TO ADD TO THE INVOICE ALL APPLICABLE STATE, AND COUNTY TAXES.

OUT OF STATE VENDORS, LICENSED TO COLLECT UTAH TAXES, ARE TO ADD TAX OF 6%.

UTAH TAXES WILL BE ACCRUED BY IPSC FOR OUT OF STATE VENDORS NOT LICENSED TO COLLECT UTAH STATE TAX

RALPH NEWBERRY 435-864-4414

BUYER  
REVIEWED BY GEORGE CROSS

IP7\_034654